

# *Owen County: Assessment Report*

## **Community Assessment Program**

**Kentucky Industrial Development Council and the Kentucky Cabinet for Economic Development**

The Community Assessment Team visited Owen County in October 2003. This report reflects the Strategic Action Plan that the Community Assessment Team developed during its visit.

On October 23-24, 2003, a Community Assessment Team visited Owen County to provide some guidance to the county's economic development efforts. The Community Assessment program is a joint initiative of the Kentucky Industrial Development Council (KIDC) and the Kentucky Cabinet for Economic Development. Here is how it works.

Counties first apply for a Community Assessment through either the Cabinet or KIDC. Based on criteria developed by the Cabinet and KIDC, four or five counties are selected to participate in the program each year. Once a county is selected, KIDC and the Cabinet assembles a team of economic development professionals from around the state. In addition, KIDC invites representatives from the Workforce Cabinet, the Tourism Development Cabinet and the Kentucky Housing Corporation to participate, where appropriate.

Prior to the visit, we ask the community leadership to complete a survey. The results of this survey helps the Team identify critical issues. The Assessment Team then comes to the community for a two day visit. On the evening before the first day, the Team assembles to review the results of the pre-visit survey and to discuss the overall strategy for the Assessment.

During the first day, the Team listens to the community leadership to understand, from their perspective, the challenges the county faces. The Team then fans out through the county for tours to better understand the business, government, education, infrastructure and other local assets and resources. In the afternoon, the Team conducts interviews with community leaders to probe more deeply into specific issues. Finally, at the end of the first day, the Team reassembles to discuss its findings and develop recommendations.

At this point, Ed Morrison, a consultant to KIDC, distills the findings of the Assessment Team into a report. This report includes a set of specific recommendations to guide the community's future efforts. On the morning of the second day, Ed presents the report. Finally, the Assessment Team compiles a written report and submits it to the community.

Within a year after the initial visit, the team comes back to assess the county's progress. During this follow-up visit, the Assessment Team offers additional thoughts and guidance.

This program has been remarkably successful in encouraging rural counties in Kentucky to develop new approaches to economic development. Since its inception, we have completed about twenty assessments. All counties that have worked diligently on the recommended set of actions have shown significant progress.

The counties participating in the program gain access to experienced economic development professionals at virtually no cost to the community. The community pays out-of-pocket housing and meal costs for the Assessment Team during their visit. More important, the community leadership gains access to important networks for learning and resources.

For Owen County, we assembled the largest Assessment team that we have ever deployed. Members of the Assessment Team included:

- Rick Starks, TVA
- Darrell Ishmael, East Kentucky Power Cooperative
- Jim Moening, KY Workforce Development Cabinet
- Kim Hammons, KY Tourism Development Cabinet
- Kevin Sheilley, Team Taylor County
- Ron Zavitz, Pro-Tek Environmental Management
- Steve Dale, KY Cabinet for Economic Development
- Fran Carney, KY Cabinet for Economic Development
- Janet Williamson, KY Cabinet for Economic Development
- Ann Morris, KY Cabinet for Economic Development
- Rich McCarty, KIDC
- Smith Mitchell, KY Cabinet for Economic Development
- Lisa Wilson, H.C. Nutting Company
- Ed Morrison, consultant to KIDC

## *Building competitive communities*

Globalization poses new challenges before our national economy, and rural counties are confronting perhaps the most difficult set of challenges. To understand how the challenges have evolved, we need to understand in more detail the forces underlying the global integration of world markets. For the last forty years, costs of communicating, shipping goods, and traveling have all declined dramatically. As a result, it is now possible for a company to design products in Oregon, ship the designs to Malaysia, and receive new products all within the space of 90 to 120 days. The global integration of markets means that the competitive advantage that rural counties in the South once had -- relatively low cost land, labor and utilities -- is now rapidly disappearing. As a result, factories based on this old formula of competition are closing. All across the South, textile, apparel, and shoe plants have moved to lower cost locations.

So, as we confront the challenge of building competitive economies in our rural areas, we must recognize that the old formulas of competing are no longer as effective as they once were. To define a prosperous path for Owen County, we must recognize these new competitive realities.

This report is structured as follows: The next section reviews the current competitive situation of Owen County. In compiling this review, the Assessment Team relied on the framework of a Strength Weaknesses Opportunities Threat (SWOT) analysis. This framework enables us to quickly categorize different factors that can influence the future prosperity of Owen County. The next section of the report proposes a vision that we believe makes sense based on our visit to Owen County. In the following section we propose a clear set of principles on which to build a competitive strategy. The final section of the report discusses strategic priorities that the county's leadership can pursue.

## *The current situation*

### THE STRENGTHS OF THE COUNTY

Although there are a number of important strengths within Owen County the following stand out. First, the county has successfully completed some very sophisticated infrastructure projects. These include developing a water system, developing a gas line, constructing new schools, conducting a program of road improvements, and upgrading the health care system. None of these projects is easy to accomplish. The fact that the county has moved forward on these infrastructure improvements demonstrates that the county can work together to accomplish common goals.

In addition to the specific infrastructure projects, the county has a very strong collaboration between the city of Owenton and the county government. In fact, the close collaboration between the city and the county is the strongest that the Assessment Team has seen in six years. In addition to the strong leadership collaboration, the county enjoys a broad network of civic organizations that are engaged in the county. The backbone of this network are the churches. In addition, however, the Chamber of Commerce, the Lions Club, and Rotary all play important parts in the community life of the county.

Agriculture provides an important strength for the county. Although traditional forms of agriculture have been declining for some time, the base of agriculture within the county creates a platform to develop new sources of wealth. We will discuss how to develop these options later in the report.

The artistic and craft community also provides an important base on which to build. The farmers market, held last summer, demonstrates how the arts, crafts, and agriculture communities can come together to create a new and important economic activity within the county.

Finally the renovations in New Liberty demonstrate the types of projects that will continue to restore and revitalize the county as economic winds shift. The same type of commitment that brought new and restored housing to New Liberty can strengthen other communities within the county, as well as revitalize the economy of Owenton.

## **WEAKNESSES**

The primary weakness that concerns the Assessment Team is in leadership. Clearly, there are leadership voids within the county. One void involves age. The county does not have a strong group of upcoming leaders that range in age from 35 to 55. This leadership gap will weaken the county if it is not addressed.

At the same time, a second leadership void raises concern among the Assessment Team. The leadership in the county reflects the interest of Owenton, but we are unclear as to how well other areas of the county are represented.

Brain power is also a significant weakness within the county. The county has a school system with relatively high dropout rates and relatively little emphasis on technical skills training.

Another weakness involves the physical appearance of the county. One member of the Assessment Team put it this way: The county is in disrepair. In fairness, not all of the members of the Assessment Team agreed with such a harsh assessment. At the same time, there is an element of truth in the comment. The county has no mandatory trash pickup, no zoning subdivision or building codes, no revenue base to support growth, and a relatively weak telecommunication infrastructure. All of these issues need to be addressed in order to develop a prosperous county for the future.

Finally, there is no strategy yet clearly defined for the spec industrial building. In addition retail businesses are in decline around Owenton. The economic base of Owenton is weakening.

## **OPPORTUNITIES**

Tourism development represents the most immediate path to build the economic base within the county. Agricultural tourism, arts and crafts, corporate retreats, sporting retreats, and Main Street revitalization in Owenton all represent important opportunities for the county.

At the same time the county has significant opportunities for business development. Its location near the dynamic northern Kentucky economy creates significant opportunities for new growth. Selective recruitment of high quality, low impact businesses can add to the economic base within the county. In addition, the Assessment Team sees opportunities in food processing, innovative telecommunications development, and building creative businesses. In sum, the county has a number of different paths that it could follow to develop its economy.

## **THREATS**

The Assessment Team evaluated the threats facing the county in terms of three scenarios. Under the first scenario, the county is overcome by unmanaged growth. Without adequate tools to manage the growth that is coming to the county, the county could turn into a low quality destination. That means rural roads could be overtaken by billboards and signs, subdivisions could leap frog across the county with substandard roads, and the beauty of the county could be marred by increasing trash and litter.

In the second scenario, the Assessment Team saw a different threat. If the Owen County leadership does not adequately develop a strong base of new leaders, the current generation of leaders could eventually collapse. Volunteers get tired, new politicians get elected, and the current climate of close collaboration among leaders in the county could end.

The third threat scenario involves a financial collapse of the county. Without adequate planning, the county and city of Owenton could face growing financial difficulties as growth creates more demands for public services. Without adequate revenues to support these services, the county, the city, and the school district could face serious financial difficulties in the future.

The leadership of Owen County can take advantage of its strengths and opportunities and minimize its weaknesses and threats by working together to focus on a number of important strategic priorities for the county. The rest of this report outlines exactly what steps need to be taken.

## *Vision and purpose*

### **VISION**

We will leave to future generations a prosperous Owen County that is rich in rural beauty. Our leadership is committed to promoting continuous improvements in education, sustainable business development, and the preservation of our rural character.

### **OUR PURPOSE**

Our purpose in following this path is implementing new strategies to define a process and a framework for making decisions about the future of Owen County.

## *Guiding Principles*

In developing a strategy for Owen County we will follow these principles:

### **INCLUSION AND CONSENSUS**

We encourage participation and action based on an open and honest exchange of views. We understand that a healthy community requires both public participation and leadership direction.

### **SUSTAINABILITY AND RESTORATION**

Our resources are finite and our environment is fragile. We need to promote physical development patterns in our county that are efficient, low cost, and make the most of the infrastructure already in place, rather than constantly expanding into new areas.

## ***Strategic priorities***

We have outlined the following strategic priorities to translate this vision into action.

These priorities fall into the following groups:

1. Leadership initiatives
2. Tourism initiatives
3. Entrepreneurship initiatives
4. Financial initiatives
5. Growth management initiatives
6. Infrastructure initiatives
7. Business recruitment initiatives
8. Brainpower initiatives

### **LEADERSHIP INITIATIVES**

The county leadership should pursue the following initiatives:

- Hire a community development person.
- Make Leadership Owen County more inclusive.
- Make Leadership Owen County (and its alumni) more project driven.
- Develop a program to enlist retirees moving into the county.
- Participate in Leadership Kentucky.
- Hire an economic development professional.

By hiring a community development person, the county can increase the volume of outside funds that are invested in the county. Pendleton County has pursued this approach with a great deal of success. Once an additional set of resources are generated by economic development, the county can consider hiring a full-time economic development professional.

In developing Leadership Owen County, the leadership should recruit participants who represent all geographic areas within the county. In addition, it makes sense to focus Leadership Owen County on the implementation of specific projects that come out of this strategic plan.

One of the major assets that the county may be developing is a pool of retirees moving into the county. These retired persons may have useful expertise in other resources that they would be interested in devoting to improving the quality of life in the county. Finally, emerging leaders in Owen County should take every effort to participate in the programs of Leadership Kentucky.

### **TOURISM INITIATIVES**

Developing tourism represents a clear opportunity for the county. The tourism development program should consist of the following steps:

- Establish a tourism committee of the Chamber.
- Organize a regular clean up, fix up, paint up campaign.
- Paint the water tower and make a signature statement.
- Distribute existing brochures at locations in northern Kentucky and at events within the county.
- Inventory all attractions in the county.
- Develop new marketing packages.
- Develop a web site.
- Get plugged into Kentucky Tourism networks.
- Pursue Renaissance and Main Street programs.
- Establish a small group to explore the corporate training and retreat markets.

Currently there is no central focus for tourism development within the county. We recommend that the Chamber of Commerce establish a tourism committee. One of the first steps that the committee can take is to organize a regular clean up day in the county. You might consider establishing a house painting program in which volunteers will paint houses for those residents who cannot afford it.

The water tower in Owenton provides an opportunity to make a significant graphic statement about arts and creativity in the county. The leadership should paint the tower creatively and make this statement. In addition, to promote existing attractions within the county the leadership should organize a distribution plan to distribute existing brochures at locations throughout northern Kentucky.

The Assessment Team believes that there are a variety of attractions in the county that can be effectively marketed if they are combined in innovative tourist packages. For example it may be possible to combine arts and crafts attractions, hunting and golf. Or, it may be possible to construct a Northern Kentucky golf trail that includes golf courses within the county.

Marketing the tourism opportunities should include improving the Owen County tourism web site. A leading rural county that has developed an elegant web site for tourism is Allegheny County, Maryland (<http://www.mdmountaininside.com>). Explore this web site to see how the Owen County web site can be improved to market tourism attractions.

Kentucky is fortunate to have an active statewide tourism development program. Owen County can benefit from these networks, if the tourism committee of the Chamber gets actively involved. In addition to building these networks, the Chamber should supervise the hiring a Community Development professional to focus on tourism development. This professional should pursue immediately the Renaissance program designation and the Main Street program.

Finally, the Chamber should establish a small group to explore the corporate training and retreat market. Owen County sits on the edge of a large metropolitan economy. Providing a corporate retreat within the county could add an additional tourism attraction.

## ENTREPRENEURSHIP INITIATIVES

One of the keys for building prosperity in Owen County will be improving the climate for small business startup and expansions. A number of rural areas are developing new approaches to building stronger entrepreneurship supports within their communities. A working group established by the Chamber could review these initiatives and define appropriate steps for the Chamber to take to improve entrepreneurship. This area may be of interest to some of the retirees within the county.

- Establish a Chamber working group on entrepreneurship
- Learn about agribusiness opportunities with high value agriculture
- Establish entrepreneurship training in high schools

The county should consider establishing a food processing incubator and distribution center. A similar incubator facility near Athens, Ohio has stimulated the development of food processing and distribution. A group from Owen County should take a field trip to Athens to visit with The Appalachian Center for Economic Networks. A processing incubator would include a kitchen, a food processing line, a distribution facility, and other support in food science for potential entrepreneurs. (See <http://www.acenetworks.org/>)

In addition the Chamber working group could evaluate entrepreneurship training in the high schools. Entrepreneurship training curricula have been developed by a number of groups including the Kauffman Foundation. A retiree mentoring program may also provide promising results for the county.

#### FINANCIAL INITIATIVE

- Establish a financial working group to evaluate long term financial conditions in the county.

The county leadership should focus on developing a working group to review the revenue structure for the county. This working group could include, for example, retirees with business experience. The purpose of the working group is to develop recommendations on improving the tax structure of the county, including the city, the county, and the school board. In addition, this working group might be valuable in recommending a plan for the proceeds to the City of Owenton from the water sale.

#### GROWTH MANAGEMENT INITIATIVES

It simply makes sense for the county to pass subdivision regulations and building codes. These two ordinances will establish minimum quality standards for development within the county. Without these standards in place, the county is inviting inadequate construction of roads and houses.

Growth management is controversial issue within the county, but it will not go away. For the foreseeable future, Owen County will be adding population. The core issue is not whether the county will grow, but how it will grow.

- Establish a working group to learn about growth management issues.
- Take field trips to model counties to learn about how rural counties in Kentucky are coping with growth.
- Organize public information and listening meetings to discuss approaches to growth management.

Other counties are confronting the same sets of challenges. Some counties have opted to improve their ability to manage growth by adopting ordinances to assist in guiding growth. Unfortunately, zoning ordinances are often caught in widespread public misperceptions. An appropriate zoning ordinance for a county provides both a blueprint for managing growth and a set of tools to manage long run tax burdens. In sum, a good growth management plan both protects property values and reduces taxes over the long-term.

By encouraging more compact development patterns, a zoning ordinance can reduce the amount of investment within the county in roads, water lines, sewer lines, school bus routes, and water and fire and safety expenses. In managing these expenses over the long haul, the county reduces the level of taxes it needs from citizens.



Because growth management is controversial in Owen County, the Assessment Team recommends a gradual, but focused effort to explore options for a county. As a first step, the leadership within the county should organize a working group of interested citizens committed to understanding how growth management policies and zoning can fit into the long run prosperity of the county. The place to start is by encouraging this working group to understand in detail the concerns and fears of citizens about growth. Specifically, the working group should focus on what residents in the county want the county to look like in five to ten years. The working group can then explore different options for achieving this goal.

#### **INFRASTRUCTURE INITIATIVES**

The county should continue its investment infrastructure including:

- Continue investments in water, gas lines.
- Identify additional investments to improve connections to the interstate.
- Institute mandatory trash pickup.
- Establish a working group to define a more modern telecommunications network.

The county should continue its current and major opportunity in the future for Owen County which is the development of smaller, entrepreneurial knowledge-based businesses. However this growth path requires an adequate telecommunications system within the county. The county currently does not have a sophisticated broadband system outside Owenton. Other rural counties have aggressively invested in wireless infrastructure to promote economic development. The county should establish a small working group to investigate different options for improving the telecommunications infrastructure in the county.

#### **BUSINESS RECRUITMENT INITIATIVES**

The county's recruitment program should focus on these steps:

- Establish a clear set of principles to define the types of businesses that will be targets for recruitment.
- Define policies regarding local incentives, if any.
- Complete a community inventory questionnaire.
- Develop a marketing plan in consultation with other economic development organizations in Northern Kentucky.

Within the county, there are lingering concerns over the type of business that the Industrial Authority might recruit. To lay these fears to rest, the Industrial Authority should adopt a clear statement of the types of businesses it will target in its recruitment effort. These businesses should conform to the overall goals of this strategic action plan. Specifically these businesses should be light assembly, office, or low impact environmental businesses.

The Industrial Authority, once these principles have been developed, can then build a stronger consensus on the types of businesses that should be recruited to the spec building.

In addition, the Industrial Authority should explore the type of local incentive package that it is willing to develop to recruit an outside business. In addition, the county leadership should complete a community inventory questionnaire. This questionnaire will assist the county in marketing the building. Finally, the Industrial Authority can improve its marketing prospects by discussing the building with other regional economic development organizations. It may be that these organizations come across prospects that they would be willing to pass on to Owen County.

#### **BRAIN POWER INITIATIVES**

Among the other opportunities for Owen County developing brain power stands as a priority. Three steps are important to take:

- Launch an education campaign about the importance of education.
- Launch a dropout reduction initiative.
- Expand connections to technical education.

Too few adults understand the importance of education to economic development. With the globalization of our economy, this importance has grown. A high school dropout has earnings which are dwindling because of increased competition from low skilled workers abroad. At the same time, the real earnings of high school graduates have not increased significantly in recent years.

Meanwhile, the earnings of people with some level of post secondary education have improved. The bottom line is this: high school education is no longer a ticket to the middle class. Every child should extend his or her education to some level of post secondary education. At the same time, dropping out of high school represents a lifetime disability. High school dropouts can no longer earn a middle class wage. At a maximum, a high school dropout will earn in the neighborhood \$7.50 per hour or \$15,000 per year.

To encourage children to stay in school, it is important to push the development of career pathways in high school. These career pathways show young people how to move from high school through post secondary education into a career. Owen County schools should be expanding their commitment to technical education for young people who are not oriented toward going to four years of a liberal arts college.

### *Next steps*

We have included in the project web site (<http://www.edmorrison.com/kidc-owen>) through this report a strategic action plan which reviews the various steps outlined. This strategic action plan provides a framework for you to adjust and make decisions about how you will translate this report into specific initiatives and action.

The Assessment Team stands ready to assist you in any way, but the responsibility for taking this next step rests on your shoulders. Within a year, the Assessment Team will return to Owen County to complete a follow-up visit. During this day long follow-up, we will review your progress and outline new steps to move the community forward. In the meantime, we will be ready to answer your questions and provide you additional assistance, if you request it.

### *Owen County Project Web Site*

We have built a web site for your follow-up. On this site you can download a copy of this report, background materials, and a spreadsheet that you can use to translate your report into action steps. You can access the site at <http://www.edmorrison.com/kidc-owen>

In addition, this web site includes helpful links to resources you can use in implementation.

## Resources

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Web site	Address
Project web site	<a href="http://www.edmorrison.com/kidc-owen">http://www.edmorrison.com/kidc-owen</a>
Smart Growth America	<a href="http://www.smartgrowthamerica.com/">http://www.smartgrowthamerica.com/</a>
Quality Places	<a href="http://www.qualityplaces.marc.org/3_principles.htm">http://www.qualityplaces.marc.org/3_principles.htm</a>
Planners Web	<a href="http://www.plannersweb.com/">http://www.plannersweb.com/</a>
The Appalacian Center for Economic Networks	<a href="http://www.acenetworks.org/">http://www.acenetworks.org/</a>
USDA Agritourism Website	<a href="http://www.nrcs.usda.gov/technical/RESS/altenterprise/">http://www.nrcs.usda.gov/technical/RESS/altenterprise/</a>
North American Farmers Direct Marketing Association	<a href="http://www.nafdma.com">http://www.nafdma.com</a>
Center for Rural Entrepreneurship	<a href="http://www.nafdma.com">http://www.nafdma.com</a>
North Carolina Rural Entrepreneurship Institute	<a href="http://www.ncruralcenter.org/entrepreneurship/index.asp">http://www.ncruralcenter.org/entrepreneurship/index.asp</a>
National Center for Dropout Reduction	<a href="http://www.dropoutprevention.org/">http://www.dropoutprevention.org/</a>